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SUBJECT: MEDIA REACTION: U.S.-CHINA-TAIWAN RELATIONS

Summary: Taiwan's major Chinese-language dailies focused December 23 news coverage on the arrival in Taiwan of two giant pandas from China; on the island's unemployment rate, which hit a five-year high in November; on the recently concluded forum between the KMT and the Chinese Communist Party in Shanghai; and on the continuous probe into the former First Family of Taiwan's alleged money laundering cases. In terms of editorials and commentaries, a column in the centrist, KMT-leaning "China Times" discussed possible changes in U.S.-China relations in the wake of the financial crisis. The article urged Taiwan to calmly contemplate its role in the new and changing Washington-Beijing ties. End summary.

"Sino-U.S. Relations under the Onslaught of [Financial] Tsunami"

Deputy Editor-in-Chief Kuo Chen-lung wrote in the "International Column" in the centrist, KMT-leaning "China Times" [circulation: 200,000] (12/23):

"... Ever since the tensions across the Taiwan Strait began to ease, fundamental changes have occurred in relations between the United States and China. Given that the chances for military conflict between Washington and Beijing over Taipei have been eliminated, [it is likely that] the United States and China will cooperate more with, rather than compete against, each other. Yet new and unprecedentedly complicated changes have arisen in terms of U.S.-China relations in the wake of the onslaught of the financial tsunami, with some bilateral issues easy to resolve while others are not, depending on the political considerations of the moment.

"The new [cross-Strait] direction adopted by the Ma Ying-jeou administration has freed Taiwan from being sandwiched between the United States and China, which are hostile toward each other. But as the ten economic incentives were announced at the [recently concluded] forum between the KMT and the Chinese Communist Party, and as Taiwan is about to strengthen its economic and trade relations with mainland China, Taiwan has again fallen into a new dilemma -- namely, is Taiwan buying insurance as a preventive measure against [possible] economic depression in the United, or has it been unconsciously dragged into the unpredictable economic conflicts between the United States and China? This is a question that Taiwan needs to calmly contemplate."

YOUNG